

MAAO Mock Trial 2022 Fall Conference

Big-Box Retail Property

3205 Vicksburg Lane N.
Plymouth, MN

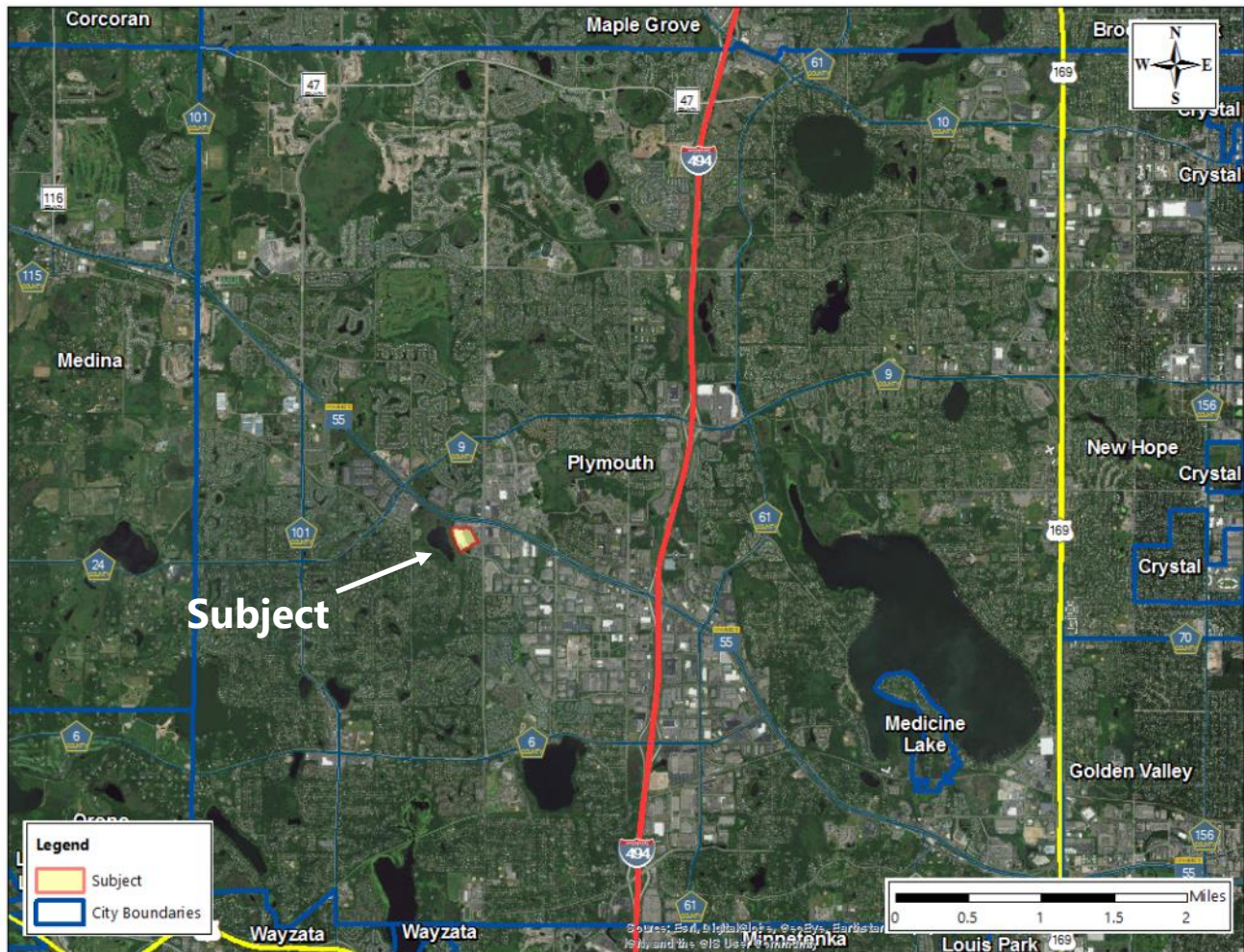
As of January 2, 2019

Retrospective Market Value of the Fee Simple Interest As Stabilized



Property Summary

CITY AERIAL MAP



The subject property is located within the City of Plymouth, approximately 6 miles northwest of the Minneapolis central business district. Plymouth is a growing, suburban city which, in 2008, was named by Money Magazine as the best place to live in the U.S. among cities with populations between 50,000 and 300,000. The city is predominately residential in character with most of the supportive commercial uses found along the I-494 and Highway 55 corridors.

The city is managed via the mayor/council form of governance. The city has full time, professional police and fire departments. Land uses are guided via formal zoning and comprehensive planning. Public utilities are generally available throughout the city. Access to shopping, schools, employment, places of worship and recreation is

considered good. Services expected from a modern, suburban community of this size are available. The community is especially well known for the quality of the Wayzata School district which has attracted households with high median incomes.

The city has a good economic base. With $\pm 50,000$ jobs located within the community in comparison to an overall population of $\pm 75,000$ people, indicating a good retention rate. Besides a good economic base, the city has convenient access to the employment centers of the Twin Cities metropolitan area. The good schools and access to employment, Plymouth is one of the most desirable suburbs in the Twin Cities.

Property Summary

CITY DEMOGRAPHICS



Demographic and Income Comparison Profile

Plymouth City, MN
Plymouth City, MN (2751730)
Geography: Place

Prepared by Esri

	Plymouth city...	Hennepin Coun...	Minnesota (27)
Census 2010 Summary			
Population	70,576	1,152,425	5,303,925
Households	28,663	475,913	2,087,227
Families	19,230	272,885	1,349,015
Average Household Size	2.42	2.37	2.48
Owner Occupied Housing Units	20,756	306,121	1,523,859
Renter Occupied Housing Units	7,907	169,792	563,368
Median Age	39.4	35.9	37.3
2017 Summary			
Population	77,618	1,248,638	5,604,047
Households	31,153	511,605	2,197,860
Families	20,953	290,925	1,410,945
Average Household Size	2.46	2.39	2.49
Owner Occupied Housing Units	22,358	320,546	1,571,953
Renter Occupied Housing Units	8,795	191,059	625,907
Median Age	40.5	37.3	38.4
Median Household Income	\$96,274	\$68,497	\$63,470
Average Household Income	\$129,033	\$98,352	\$86,527
2022 Summary			
Population	82,124	1,312,919	5,821,336
Households	32,788	536,306	2,279,083
Families	22,055	303,824	1,458,820
Average Household Size	2.47	2.40	2.50
Owner Occupied Housing Units	23,640	335,535	1,628,765
Renter Occupied Housing Units	9,147	200,771	650,318
Median Age	41.6	38.1	39.1
Median Household Income	\$104,687	\$76,759	\$71,939
Average Household Income	\$143,493	\$110,132	\$98,458
Trends: 2017-2022 Annual Rate			
Population	1.14%	1.01%	0.76%
Households	1.03%	0.95%	0.73%
Families	1.03%	0.87%	0.67%
Owner Households	1.12%	0.92%	0.71%
Median Household Income	1.69%	2.30%	2.54%

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 and 2021.

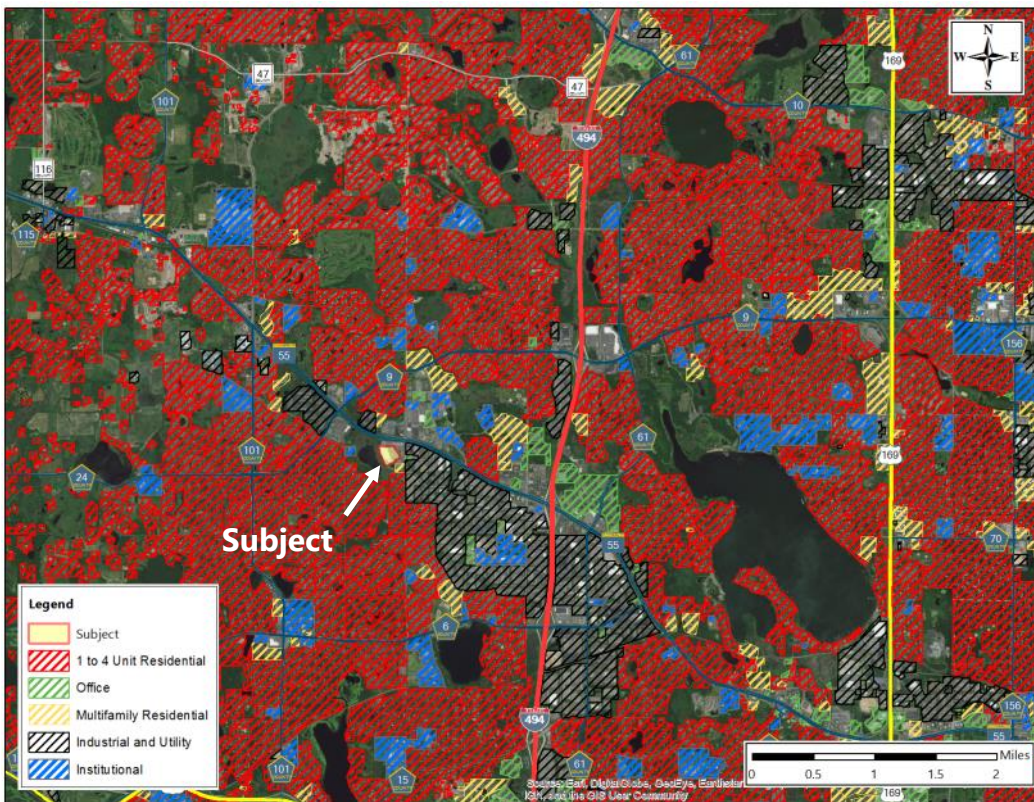
As a result of the desirability of the location, the city is growing at rates above those of the county or state as a whole.

The city is comprised of households with relatively high median and average incomes which are $\pm 35\%$ higher than those of the county or state as a whole.

Based on the social, economic, governmental and environmental trends, the subject's neighborhood is concluded to be in the stable phase of the neighborhood life cycle and has characteristics which are well supportive of retailing uses like that of the subject.

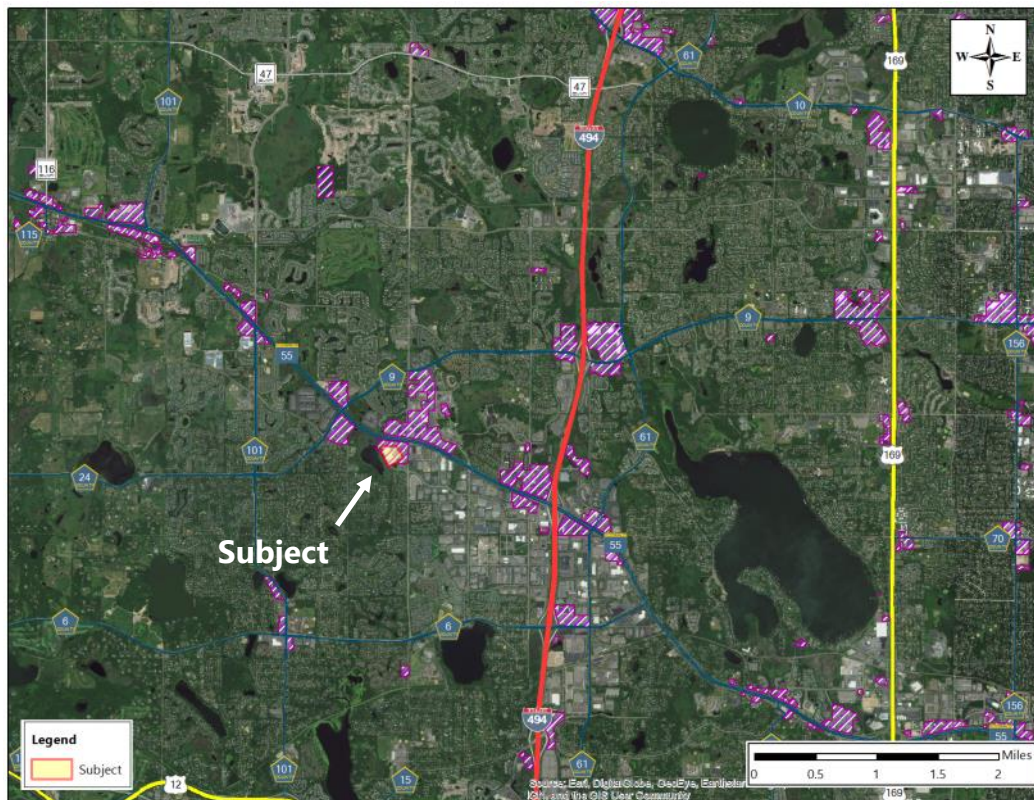
Property Summary

DEMAND & SUPPLY GENERATORS



Desirable retail locations are those with ample residential “roof tops” in close proximity.

The density of residences around the subject can be seen on the adjacent land use map, highlighted in red. In addition to households, retailing also benefits from other business uses that bring employees to the location. Industrial, office and institutional uses are also in close proximity to the subject.



With respect to supply, the adjacent map depicts the locations of retail uses in the area.

The subject is located within one of the largest retail district in Plymouth, which is located at the intersection of Highway 55 and Vicksburg Lane. Retailing districts like the one within which the subject is located help to pull consumers to that location. The subject is located in a good retailing location with respect to household and retail density.

Property Summary

NEIGHBORHOOD AERIAL MAP



The aerial above depicts the developmental density and transportation routes in the subject's immediate neighborhood. As is common for most suburban communities, land along the major transportation routes are in demand for commercial and industrial uses, while interior lots are generally residential in character.

Commercial users covet the traffic exposure and ease of access to the regional highway system and, as a result, pay prices for land that exceed those of residential parcels.

The subject can be seen as having a good corner location at the intersection of Highway 55 and Vicksburg Lane North. The location is 1.3 miles± west of I-494. The subject enjoys good access to the local and regional transportation system.

The area in the subject's immediate neighborhood is fully developed with retail, industrial and residential uses. Areas of low/wetlands which are not usable can be seen on the above map.

The desirability of the area is also seen in the residential market where older single-family homes priced in the \$200,000 to \$400,000 range are being purchased for redevelopment with houses in the \$750,000 and above price points. The good locational characteristics resulted in the Plymouth housing market not being as adversely impacted by the great recession as other communities around the Twin Cities.

Property Summary

MNDOT 2015 TRAFFIC VOLUME MAP



Another highly important facet for retailing is traffic exposure. Retailers covet locations with high traffic exposure. The above map depicts the average annual daily traffic counts (AADT) as collected by the Minnesota Department of Transportation (MNDOT) for 2015.

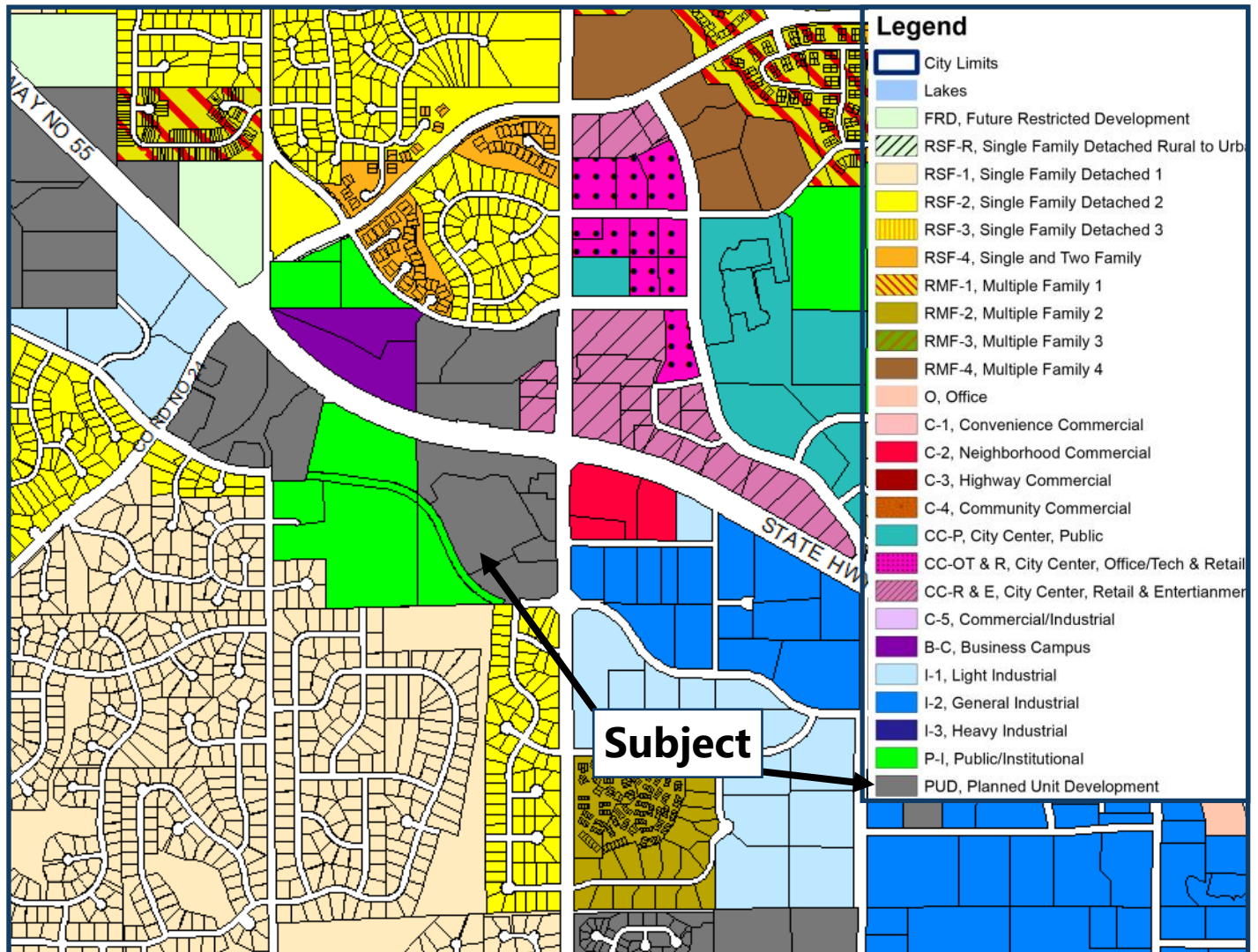
Not surprisingly, the highest traffic volumes in the immediate neighborhood are along Highway 55. The subject's location sees $\pm 35,000$ vehicles per day on average along Highway 55 and $\pm 17,000$ per day along Vicksburg Lane North.

The intersection of Highway 55 and Vicksburg Lane North sees among the highest traffic counts in the city.

The subject's location is concluded to be highly desirable for users that desire traffic exposure, such as retailers.

Property Summary

PLYMOUTH ZONING MAP



The subject is zoned PUD - Planned Unit Development by the City of Plymouth. According to Section 21655.01 of the Plymouth Municipal Code, the purpose of the PUD district is to provide a comprehensive procedure intended to allow greater development flexibility than is possible under a conventional zoning district.

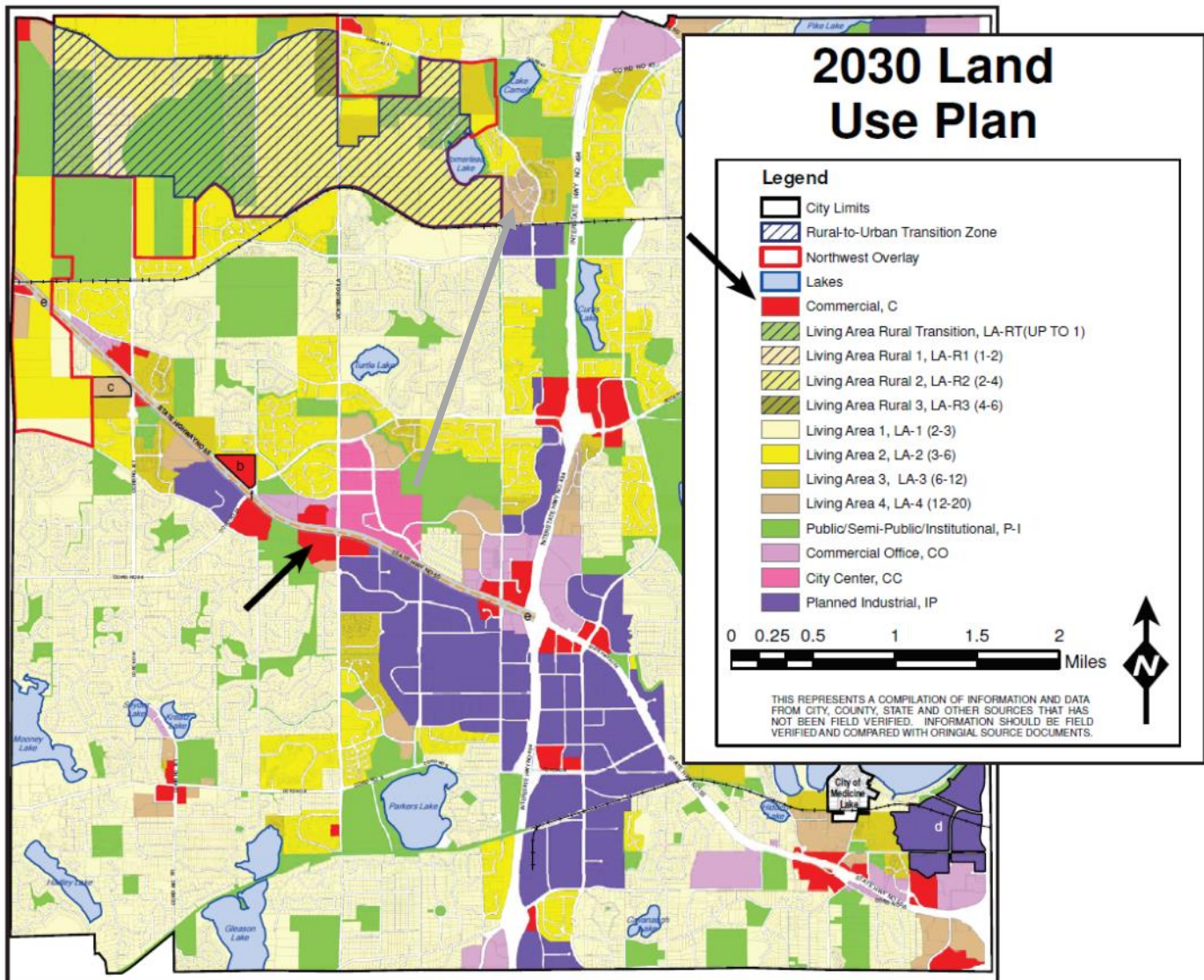
Permitted uses include virtually any use allowed under the existing zoning code, including residential, industrial, commercial and institutional, as long as the use aligns with the underlying comprehensive plan and subject to city review and approval.

Lot sizes, minimum set backs, and building height restrictions are generally set via the most closely related underlying conventional zoning district, though it can be modified to accomplish the development goals, subject to city approval.

While a thorough zoning compliance analysis is beyond the scope of this assignment, the subject appears to conform to the zoning code.

Property Summary

PLYMOUTH 2030 COMPREHENSIVE USE PLAN MAP



Source: City of Plymouth

The underlying 2030 Comprehensive Land Use Plan plans the subject's location to be used for Commercial. Land designated as commercial comprises about 5% of the total land area in the city. Thus the supply of commercially guided land is relatively low, compared to other non-residential uses such as planned industrial, shown in purple on the above map.

Development in the city has followed a radial pattern along Highway 55 towards the north-west. Most of the available vacant land in the community is found in the west and northwest portions of the city and are guided predomi-

nately for residential. Those undeveloped parcels which are guided for commercial use are in inferior locations with respect to access to the transportation network as well as traffic exposure and roof top densities.

The next few pages detail information specific to the subject's site and improvements.

Property Summary

BIRD'S EYE VIEW—LOOKING WEST



BIRD'S EYE VIEW—LOOKING EAST



FEMA/NWI MAP



Property Summary

SITE OVERVIEW

Address:	3205 Vicksburg Lane N. Plymouth, Minnesota	Parking:	Asphalt parking lot striped for 566± spaces. Ample parking with 4.2± spaces per 1,000 SF of GBA.
Total Site Area:	561,371 Square Feet (12.89 Acres) - Per County		
Usable Site Area:	561,371 Square Feet (12.89 Acres) - Per County	Site Improvements:	Minor landscaping. On-site sidewalks, parking and drive ways.
PID Number:	20-118-22-14-0005	Flood Zone:	Zone X. No special flood hazard.
Legal Description:	L1, B1, Shops at Plymouth Creek	Wetlands:	None
Topography:	Level	Soils:	Soils are assumed to be stable with no observed evidence settlement.
Utilities:	All typical utilities are in place including public water, sanitary sewer, storm sewer, electrical service and natural gas.	Curbs/Gutters:	Concrete
Shape:	Irregular - shape would not significantly impact improvement placement and shape.	Sidewalks:	Concrete
Zoning:	PUD	Land to Bldg. Ratio:	4.2 : 1 No excess or surplus land as currently improved.
Guidance:	Commercial		
Easements:	Typical drainage and utility easements exist. Typical cross-access and parking easement agreements exist.		
Access:	Adequate ingress and egress via Vicksburg Lane.		
Encroachments:	No encroachments onto the subject from surrounding properties were observed.		
Traffic Exposure:	35,000 vehicles per day along Highway 55 and 17,000 vehicles per day along Vicksburg Lane.		

Property Summary

IMPROVEMENT OVERVIEW

Construction:	Marshall & Swift Class "C" masonry construction	Interior Lighting:	2' x 4' high efficiency fluorescent fixtures
Overall Condition:	Good	Flooring:	Polished concrete with ceramic tile in the rest rooms
Tenancy:	Single-tenant, big-box retail	Rest Rooms:	Men's/Women's - Ample
Gross Building Area:	137,562± SF	Interior Partitioning:	Low cost finishes with limited interior partitioning. Partitioning includes employee break room, training room, office areas and rest rooms.
Garden Area:	31,202± SF (not included in the GBA)		
Year Built:	2005		No obvious signs of deferred maintenance were observed during the inspection.
Stories:	One		
Foundation:	Slab on grade	2019 Assessed Market Value:	\$10,092,000 - \$73.36/SF
Exterior:	Tilt up panels with decorative EIFS on the front elevation	2020 Taxes:	\$337,383.16 - \$2,35/SF
Roof:	Flat with EPDM membrane	Effective Tax Rate:	3.34%
Electrical:	Assumed adequate		
Fire Protection:	Wet sprinkler system		
HVAC:	100% warmed & cooled air via roof top units		
Elevators:	None		
Windows:	Fixed, insulated metal frames. Typical retail fenestration		
Interior Ceilings:	Open roof frame		

Property Summary

SUBJECT PHOTOS



Property Summary

SUBJECT PHOTOS



Property Summary

SUBJECT PHOTOS



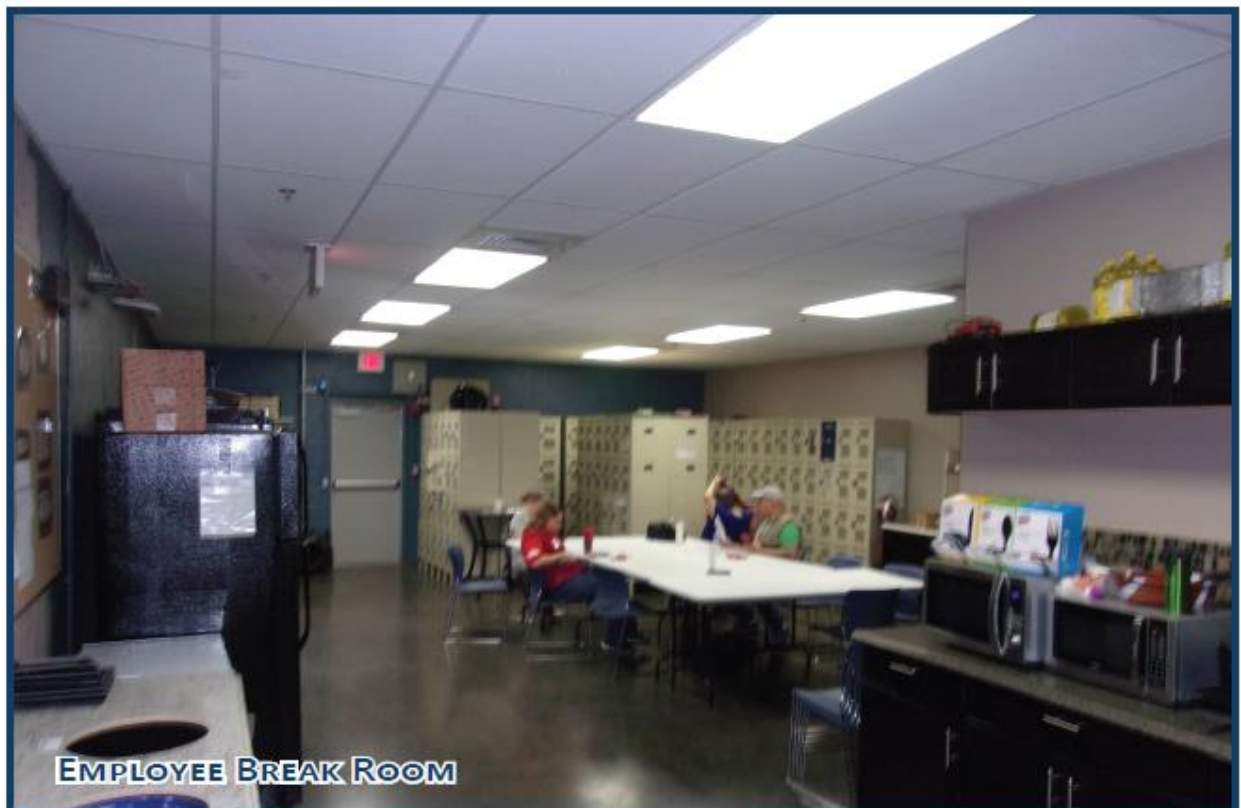
Property Summary

SUBJECT PHOTOS



Property Summary

SUBJECT PHOTOS



Property Summary

SUBJECT PHOTOS



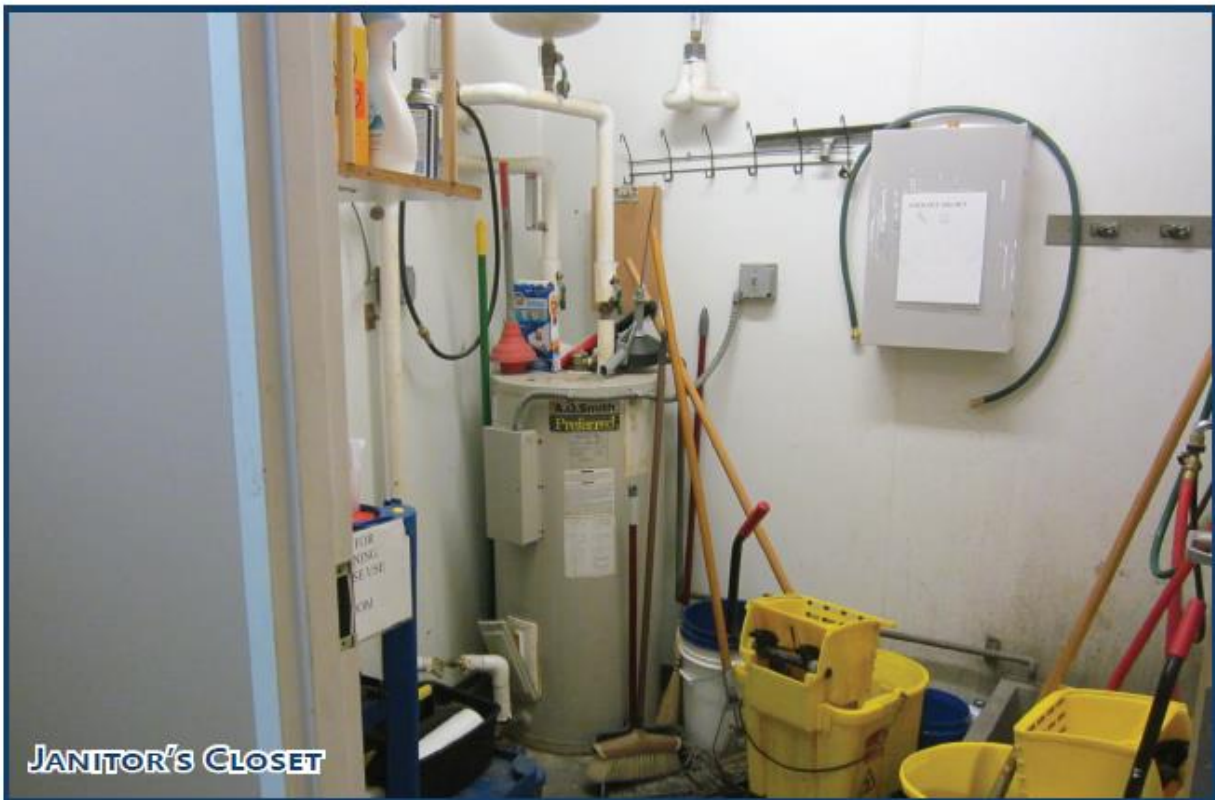
Property Summary

SUBJECT PHOTOS



Property Summary

SUBJECT PHOTOS



Property Summary

SUBJECT HISTORY

The subject is within a retail development called Shops at Plymouth Creek which obtained plat approvals from the City of Plymouth on January 25th, 2005. The developer purchased the 28.7 acre site, which was improved with a 212,000± square foot industrial building, in December 004 for \$7,800,000 or \$6.23 per square foot. After demolition, the site was developed into a community shopping center, anchored by Lowe's, using TIF financing.

The developer reported at the time of sale that the development cost of the Lowe's site would be shared with Lowe's on a 60%/40% basis. Lowe's paying the 60% portion. While Lowe's ultimately leased the land and built their own store, the developer reported that if they had constructed the building in a built to suit deal, the net rents would have been in the \$12 to \$14 per square foot range.

The subject was built in 2005 under a land lease agreement dated January 28, 2005 between Shops at Plymouth Creek, LLC as Lessor and Lowe's Home Centers, Inc. as Lessee. The terms were for 15 years with eleven 5 year renewal options. The lease also allows Lowe's the option to purchase the subject should the Lessor chose to sell or transfer the lease to a 3rd party. As Lowe's agreed to a 60% share of the site development costs, the rents agreed to in the lease were likely not truly arms-length or at market levels when signed.

The Shops at Plymouth Creek include restrictive covenants typical of retail developments of this type. The covenants grant Lowe's, as the anchor tenant, additional rights to control what uses may or may not be allowed in the development. As is common for developments that include a large anchor, uses that would compete directly with the anchor are prohibited. In this case, uses that compete with Lowe's such as building materials, home and garden, hardware, lumber yards, etc., are restricted so long as the lease is in place. A number of other uses, many depending on size, are also subject to written pre-approval by the developer and Lowe's.

Many of the restrictions listed in the development covenants are not pure prohibitions, but simply require the approval of both the developer and Lowe's. Thus, these restrictions do not have a long-term negative impact on the real property rights as they can be changed by simple written agreement.

Since the subject is the only anchor, there are no restrictive covenants that would prohibit it from selling other types of products such as groceries. As discussed in the Valuation Issues section of the report, such restrictions can greatly impact the highest and best use of a site. The subject suffers no such prohibitions. Quite the opposite, the covenants grant the subject significant control over competing uses in the development.

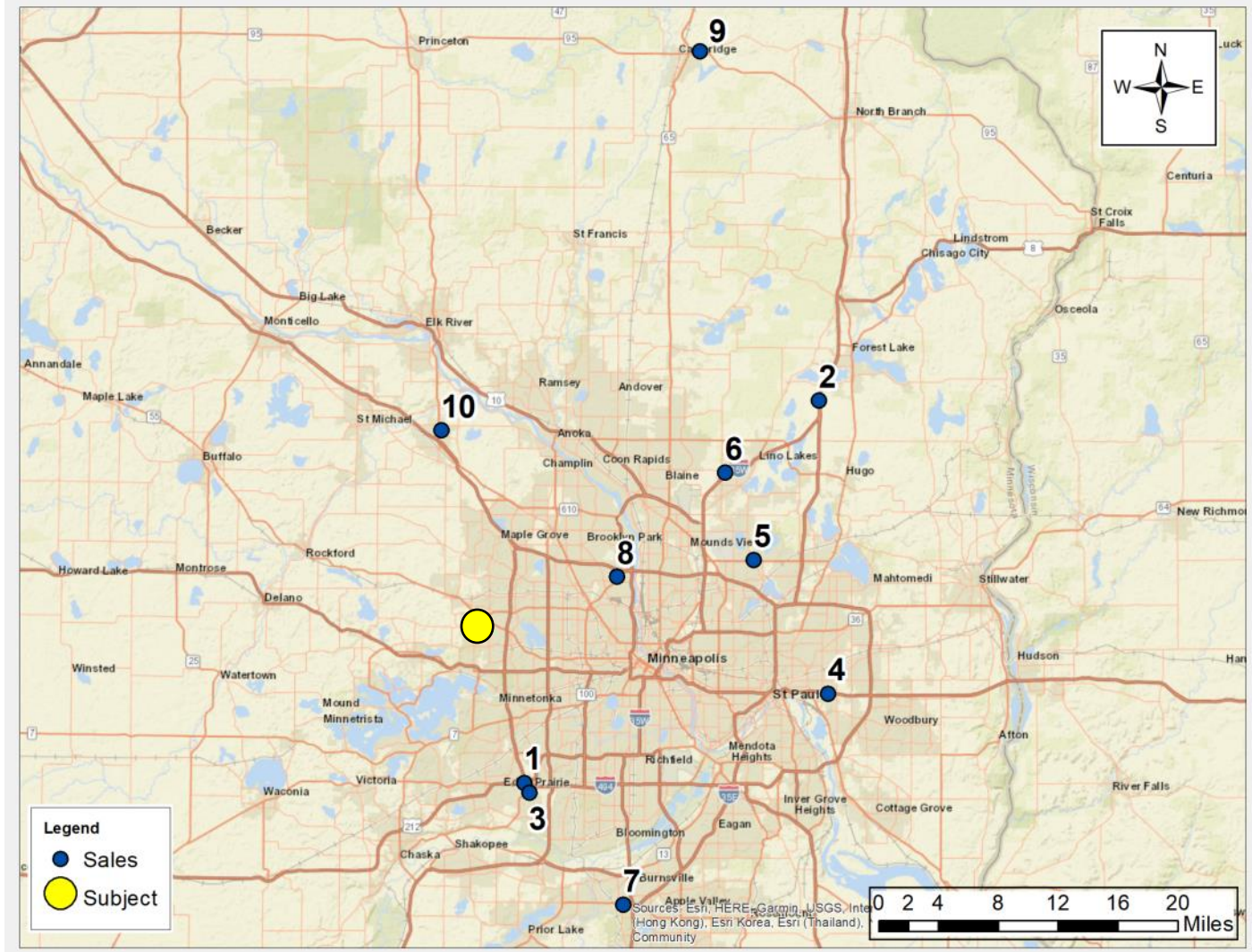
With respect to the subject property itself, there were no private deed restrictions in place that negatively impacted the value or marketability of the subject on the effective date of the appraisal.

Since construction, the subject has been owner occupied and operated as a home improvement retailer.

The subject has not transferred ownership in the three year preceding the effective date of the appraisal. To my knowledge, there were no agreements of sale, options or listing agreements in place as of the effective date of the appraisal.

Sales Comparison Approach

SALES LOCATION MAP



No.	Address	City	Sale Date	Bldg Size SF of GBA	Sale Price	\$/SF	Year Built	
1	12160 Technology Dr.	Eden Prairie	November 2018	105,809	\$12,000,000	\$113.41	2006	
2	14640 West Freeway Dr	Columbus	September 2017	95,384	\$10,000,000	\$104.84	2003	
3	8301 Flying Cloud Dr	Eden Prairie	September 2017	215,375	\$16,000,000	\$74.29	1974	
4	1959 Suburban Ave	St. Paul	June 2016	52,376	\$4,820,000	\$92.03	1970	
5	441 Hwy 96	Shoreview	March 2016	67,146	\$6,200,000	\$92.34	1995	
6	4405 Pheasant Ridge	Blaine	January 2016	140,684	\$5,200,000	\$36.96	2001	
7	14230 Burnhaven Dr	Burnsville	December 2015	119,638	\$9,850,000	\$82.33	1992	
8	5925 Earle Brown Dr	Brooklyn Center	May 2015	52,920	\$2,600,000	\$49.13	1971	
9	2324 3rd Ave	Cambridge	October 2013	126,052	\$5,000,000	\$39.67	2009	
10	13800 Rogers Dr	Rogers	October 2013	137,450	\$3,600,000	\$26.19	2006	
				Min	52,376	\$2,600,000	\$26.19	1970
				Max	215,375	\$16,000,000	\$113.41	2009
				Avg	111,283	\$7,527,000	\$71.12	1993



Sale Price: \$12,000,000
Sale Date: November, 2018
\$/SF of GBA: \$113.41

Address 12160 Technology Dr. **City** Eden Prairie

Parcel Number 11-116-22-34-0009 **GBA (SF)** 105,809

Property Type Big-Box Retail **Year Built** 2006

NRA (SF) 102,809 **% of GBA** 97.2% **# of Units** 1

Land (SF) 204,262 **Acres** 4.69 **L/B Ratio** 1.9

Traffic Exposure 95,000 **Cars per day**

Parking Index 2.1 **Spaces per 1,000 SF of GBA**

NOI (If Leased) \$985,431 **OAR** 8.21% **Vacancy** 0%

Buyer: MT, LLC

Seller: EK DST, LLC

Doc#: eCRV 167115

Deed: Limited Warranty

Financing: Cash



TRADE AREA	Miles: 3	# of HH: 22,266	Median HH Income: \$87,995	MPI: ±120	SPI: ±160
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Arms-length sale of a leased Gander Mountain in Eden Prairie. The building was originally constructed in a built-to suit lease. The original lease, signed in March 20011 with a start date of March 2011, was for a 15 yr. term including three 5-year options. Rents increase by ±2% every 5 years. There were 8 years remaining at time of sale. Improvement in good condition and has excellent exposure to passing traffic along Hwy 212. Excellent access to the regional transportation network. No private deed restrictions.

The trade area has above average spending and market indices and is pulling consumers into the area from surrounding locations.

Sales Comparison Approach



Sales Comparison Approach

COMPARABLE 2

Gander Mountain



Sale Price: \$10,000,000
Sale Date: September, 2017
\$/SF of GBA: \$104.84

Address City
 14640 West Columbus
 Freeway Dr

Parcel Number **GBA (SF)**
 25-32-22-24-0006 95,384

Property Type **Year Built**
 Big Box Retail 2003

NRA (SF) **% of GBA** **# of Units**
 105,275 110.4% 1

Land (SF) **Acres** **L/B Ratio**
 601,128 13.80 6.3

Traffic Exposure 81,000 Cars per day

Parking Index 3.8 Spaces per 1,000 SF of GBA

NOI (If Leased) **OAR** **Vacancy**
 \$798,624 7.99% 0%

Buyer: Funding II, LLC

Seller: FK, LLC

Doc#: eCRV 197364

Deed: Limited Warranty

Financing: Cash equivalent



TRADE AREA	Miles: 3	# of HH: 2,840	Median HH Income: \$77,159	MPI: ±115	SPI: ±115
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Arms-length sale of a leased Gander Mountain just outside of Forest Lake. The lease had 4 years remaining at time of sale and the buyer reported they did not know if the lease would be renewed. Original lease term was for 15 years with 5 year options. Property has a high land to building ratio, however, 5 acres (36%) is low/wetlands and is unusable. L/B ratio based on usable area is ±3.8. Excellent exposure to passing traffic along I-35. Good access to the regional transportation network. No private deed restrictions

The trade area has above average spending and market indices and is pulling consumers into the area from surrounding locations. However, the population density is relatively low compared to other areas closer in to the urban centers of the Twin Cities.

Sales Comparison Approach



Sales Comparison Approach

COMPARABLE 3

Former Sears EP Mall



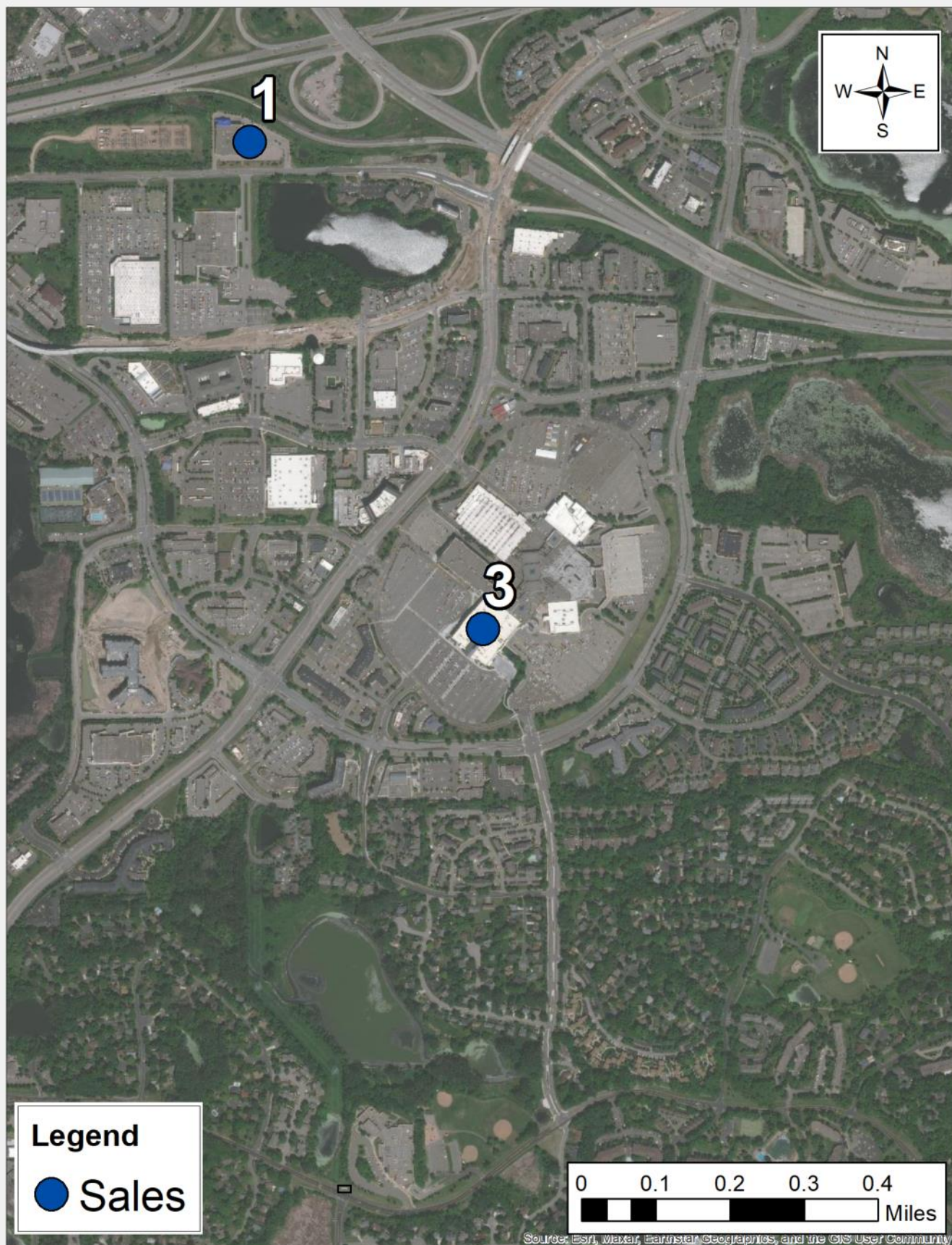
Sale Price:		\$16,000,000
Sale Date:		September, 2017
\$/SF of GBA:		\$74.29
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Address	City	
8301 Flying Cloud Dr	Eden Prairie	
Parcel Number	GBA (SF)	
14-116-22-42-0003	215,375	
Property Type	Year Built	
Single-User Retail	1974	
<hr/>		
NRA (SF)	% of GBA	# of Units
		1
Land (SF)	Acres	L/B Ratio
795,934	18.27	3.7
Traffic Exposure	18,900	Cars per day
Parking Index	6.1	Spaces per 1,000 SF of GBA
<hr/>		
NOI (If Leased)	OAR	Vacancy
		100%
<hr/>		
Buyer: CEPS, LLC		
Seller: Sears, Roebuck & Co.		
Doc#: eCRV 42463		
Deed: Limited Warranty		
Financing: Cash Equivalent		

TRADE AREA Miles: 3 # of HH: 21,647 Median HH Income: \$93,500 MPI: ±120 SPI: ±160

Privately negotiated sale of the soon to be vacated Sears department store, an original anchor at the Eden Prairie Mall. Sale considered to be arms length as the buyer and seller are unrelated and knowledge market participants. CRV reports a 3 month lease back, presumably to allow Sears to liquidate the store. Buyer plans to expanded the improvement to 260,000 SF and lease it to Scheel's Sporting Goods. Deed restrictions and easements in place but, being an anchor, the use of the subject is not significantly restricted.

3 mile trade area has a growing population with well above average spending and market potential indices. With greater retail sales than is supported by the local population, the trade area is pulling consumers from surrounding areas. Verified with the seller's representative, Ms. Elizabeth Williams who confirmed the sale. Additional details came from county records and publications by Finance & Commerce and the Twins Cities Business Journal.

Sales Comparison Approach



Sales Comparison Approach

COMPARABLE 4

Former Lunds



Sale Price:	\$4,820,000	
Sale Date:	June, 2016	
\$/SF of GBA:	\$92.03	
<hr/>		
Address	City	
1959 Suburban Ave	St. Paul	
Parcel Number	GBA (SF)	
352922340003	52,376	
Property Type	Year Built	
Single-User Retail	1970	
<hr/>		
NRA (SF)	% of GBA	# of Units
		1
Land (SF)	Acres	L/B Ratio
254,826	5.85	4.9
Traffic Exposure	88,000	Cars per day
Parking Index	4.7	Spaces per 1,000 SF of GBA
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NOI (If Leased)	OAR	Vacancy
		100%
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Buyer: HQP, LLC		
Seller: RES, LLC		
Doc#: eCRV 5243376		
Deed: Limited Warranty		
Financing: Cash Equivalent		

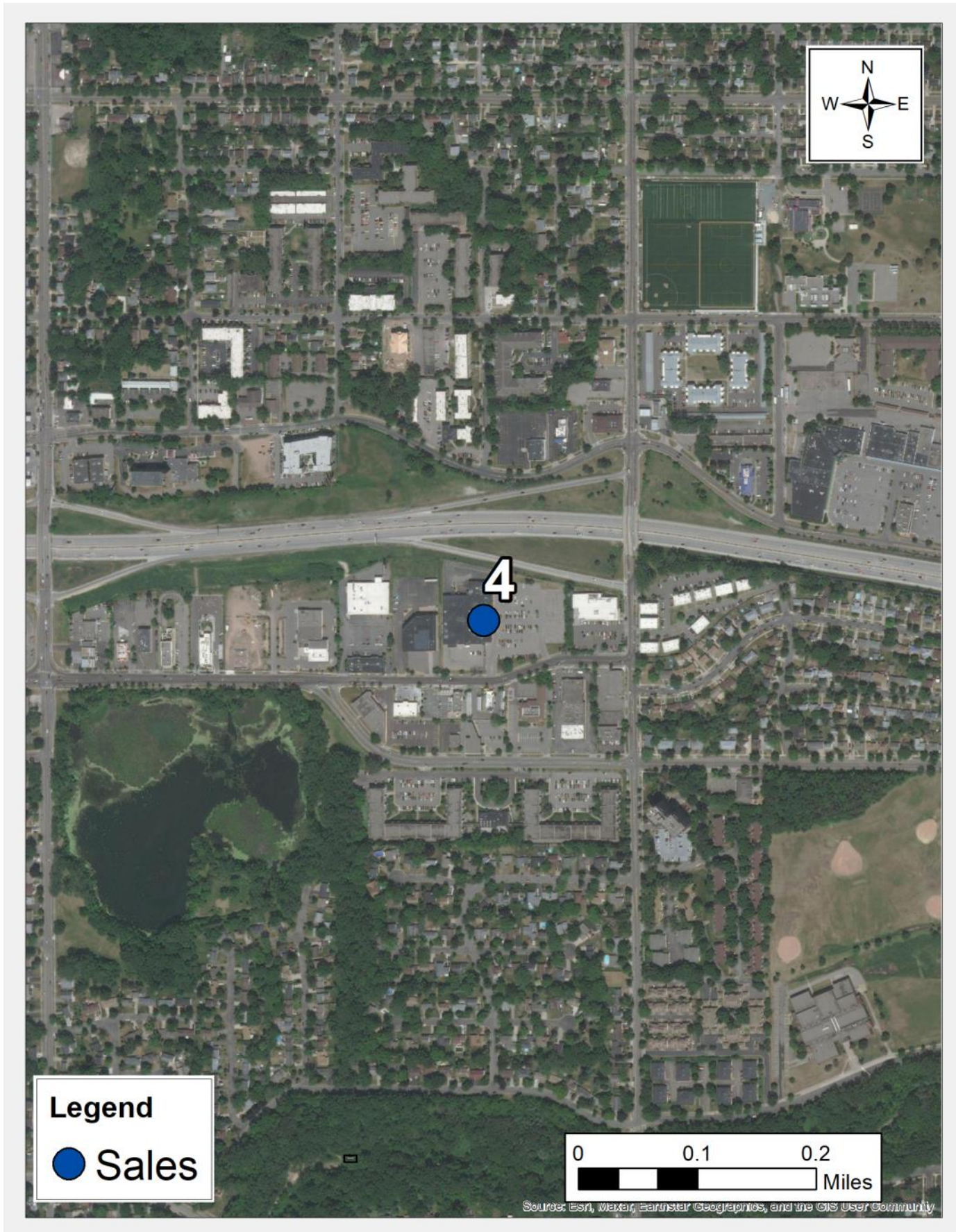


TRADE AREA Miles: **3** # of HH: **37,756** Median HH Income: **\$50,855** MPI: **±100** SPI: **±85**

Openly marketed, arms length sale of the former Lund's supermarket. Seller received a total of six offers. The buyer purchased with the intention of using the property for the owner-occupied, Ha Tien supermarket. Lund's was operating up until time of sale. Contract reportedly included \$375,000 in machinery and equipment. No private deed restrictions in place.

The three mile trade area has a stable population with below average spending and market potential indices. Additionally, the trade area is losing consumers to other retail areas suggesting the location less desirable. Verified with the seller's representative. Additional details from county records.

Sales Comparison Approach



Sales Comparison Approach

COMPARABLE 5

Former Rainbow



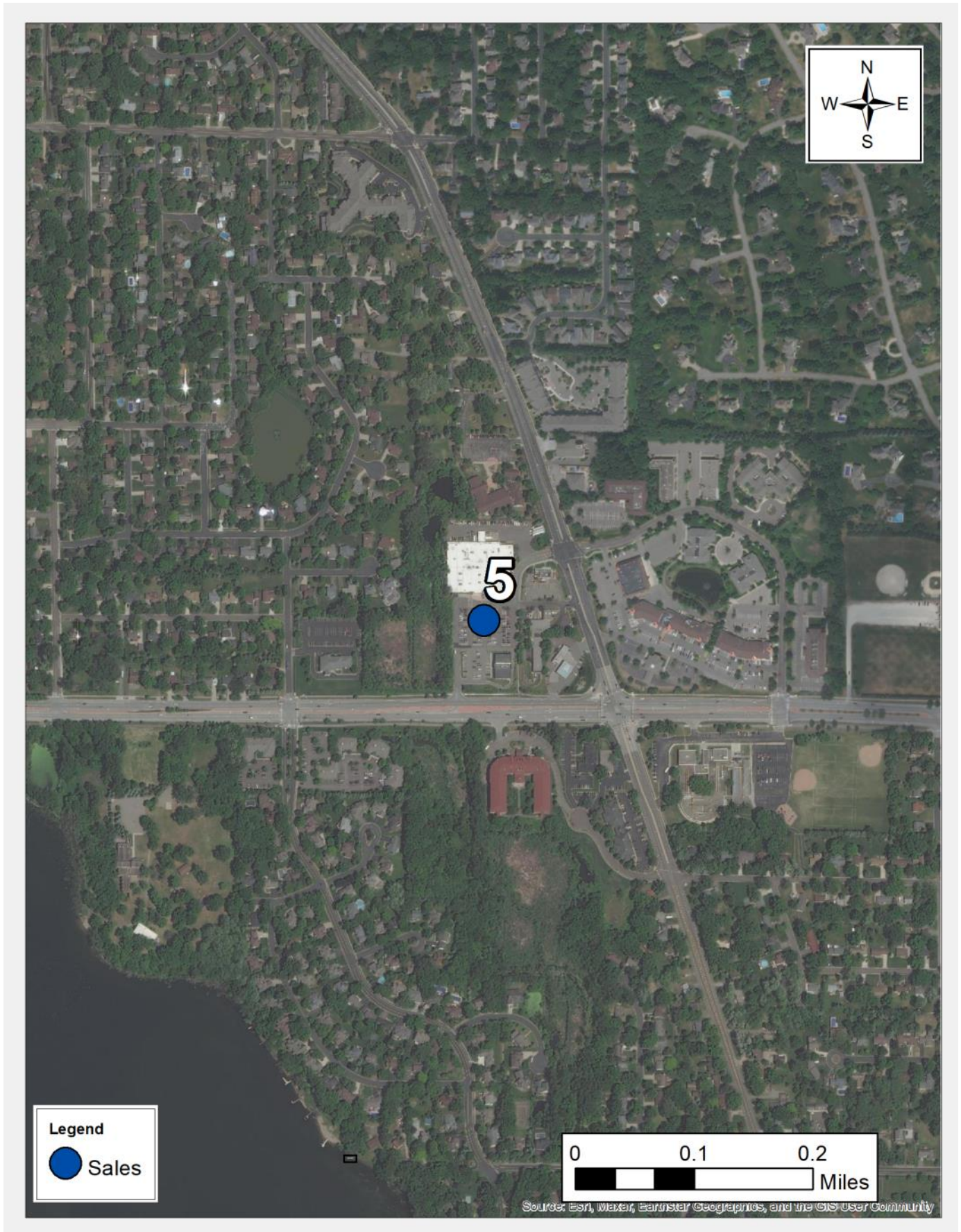
Sale Price:	\$6,200,000		
Sale Date:	March, 2016		
\$/SF of GBA:	\$92.34		
<hr/>			
Address			City
441 Hwy 96			Shoreview
Parcel Number			GBA (SF)
133023340048			67,146
Property Type			Year Built
Single-User Retail			1995
<hr/>			
NRA (SF)	% of GBA	# of Units	
		1	
Land (SF)	Acres	L/B Ratio	
463,478	10.64	6.9	
Traffic Exposure	24,100	Cars per day	
Parking Index	2.1	Spaces per 1,000 SF of GBA	
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NOI (If Leased)	OAR	Vacancy	
		100%	
<hr/>			
Buyer: KKR Inc.			
Seller: Red Co. Ltd. Partnership LLC			
Doc#: eCRV 4744527			
Deed: Warranty			
Financing: Cash equivalent			

TRADE AREA Miles: 3 # of HH: 15,300 Median HH Income: \$94,785 MPI: ±120 SPI: ±160

Former Rainbow Foods purchased for use as a Kowalski's supermarket. Openly marketed, arms-length sale. A representative for Kowalski's reported that the sale price was contingent upon the city providing ±\$1.1 million to assist with building renovations. Additionally the city spent ±\$300,000 to improve Hwy 96 access which was needed to support the retailing use. Of the 10.6 acre total, ±4 acres is unusable due to low/wetlands. No private deed restrictions in place. v

The three mile trade area has above average spending and market indices, but is losing consumers to other retail areas. Verified with the buyer's representative Mr. Tony Olafson who could only confirm the base sale data. Additional verification was provided by the City of Shoreview's Community Development Director Mr. Tom Simonson and county records.

Sales Comparison Approach



Sales Comparison Approach

COMPARABLE 6

Former WalMart



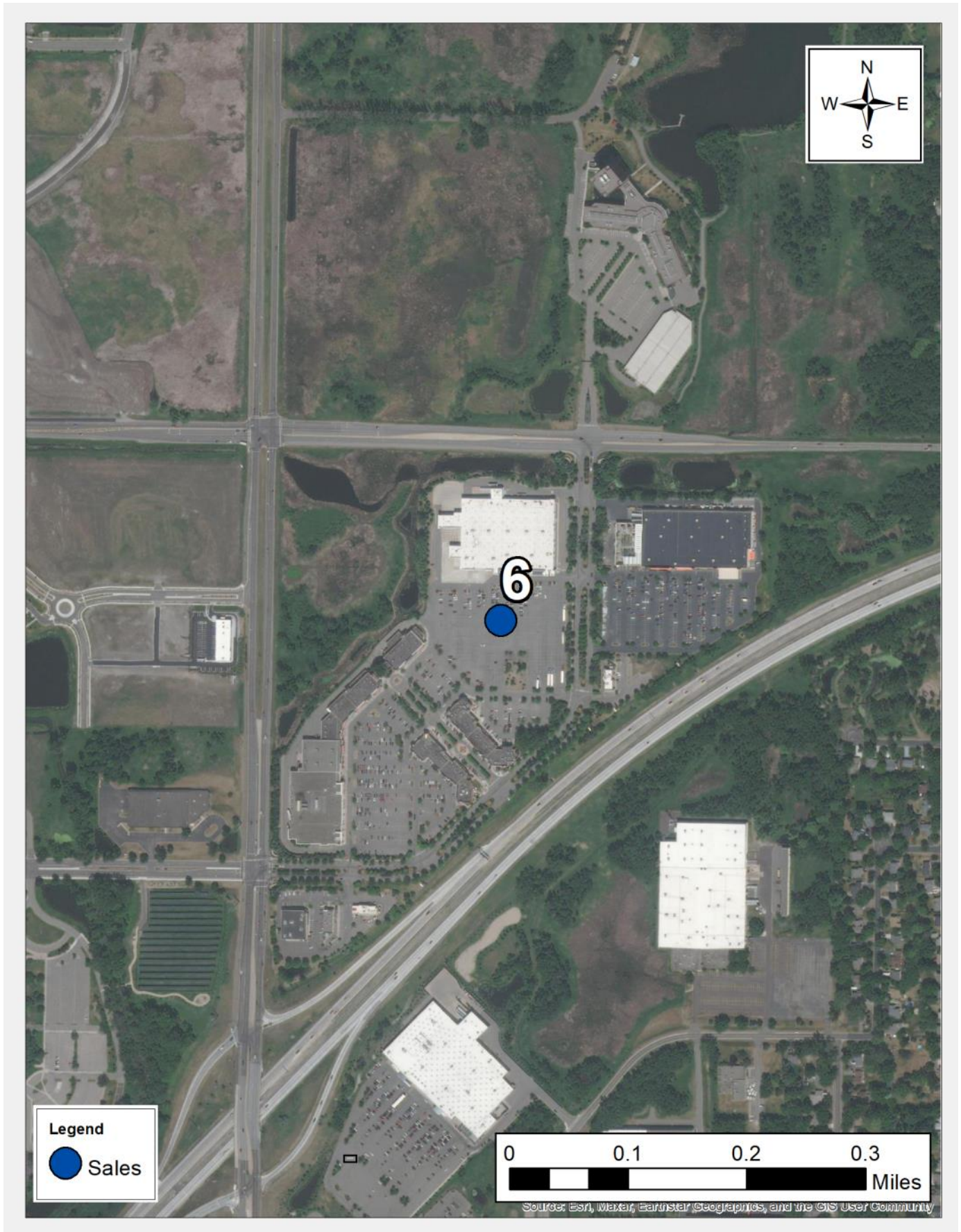
Sale Price:	\$5,200,000		
Sale Date:	January, 2016		
\$/SF of GBA:	\$36.96		
<hr/>			
Address			City
4405 Pheasant Ridge			Blaine
Parcel Number	GBA (SF)		
243123220008	140,684		
Property Type	Year Built		
Single-User Retail	2001		
<hr/>			
NRA (SF)	% of GBA	# of Units	
		1	
Land (SF)	Acres	L/B Ratio	
712,641	16.36	5.1	
Traffic Exposure	47,500	Cars per day	
Parking Index	5.2	Spaces per 1,000 SF of GBA	
<hr/>			
NOI (If Leased)	OAR	Vacancy	
		100%	
<hr/>			
Buyer: Ridge Co LLC			
Seller: Sam LLC			
Doc#: eCRV 4514109			
Deed: Special warranty deed			
Financing: Cash sale			

TRADE AREA	Miles: 3	# of HH: 13,068	Median HH Income: \$91,784	MPI: ±110	SPI: ±140
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Openly marketed sale of a former Walmart. Purchased for use as an owner-occupied, At Home Furniture store. The development within which this property is located was encumbered with private deed restrictions disallowing uses that compete with the adjacent Cub Foods and Home Depot. These restrictions motivated Walmart to abandon the development in favor of a new ±183,000 SF store right across I-35W, which had no restrictions as they wished to expand into grocery. In addition to the development restrictions, Walmart added their standard deed restrictions which disallow uses that compete with them for a period of 25 years. Walmart also retained the mineral rights. Each side utilized brokers and is concluded to be arms-length. Subsequent to this sale, the buyer partitioned off a 30,000 SF unit and listed the space with an asking rent of \$15/SF net.

The three mile trade area has above average spending and market indices, but is losing consumers to other retail areas. Includes PIDs 0009, 0012 and 0013. Verified with the seller's representative Mr. Jordan Karnes. Additional details from county records.

Sales Comparison Approach



Sales Comparison Approach

COMPARABLE 7

At Home



Sale Price:	\$9,850,000	
Sale Date:	December, 2015	
\$/SF of GBA:	\$82.33	
Address	City	
14230 Burnhaven Dr	Burnsville	
Parcel Number	GBA (SF)	
021826001010	119,638	
Property Type	Year Built	
Big Box Retailing	1992	
NRA (SF)	% of GBA	# of Units
119,638	100.0%	1
Land (SF)	Acres	L/B Ratio
533,763	12.25	4.5
Traffic Exposure	9,500	Cars per day
Parking Index	3.8	Spaces per 1,000 SF of GBA
NOI (If Leased)	OAR	Vacancy
\$839,260	8.52%	0%
Buyer: QPT, LLC		
Seller: FundFR Inc		
Doc#: eCRV 5057605		
Deed: Warranty		
Financing: Cash Equivalent		

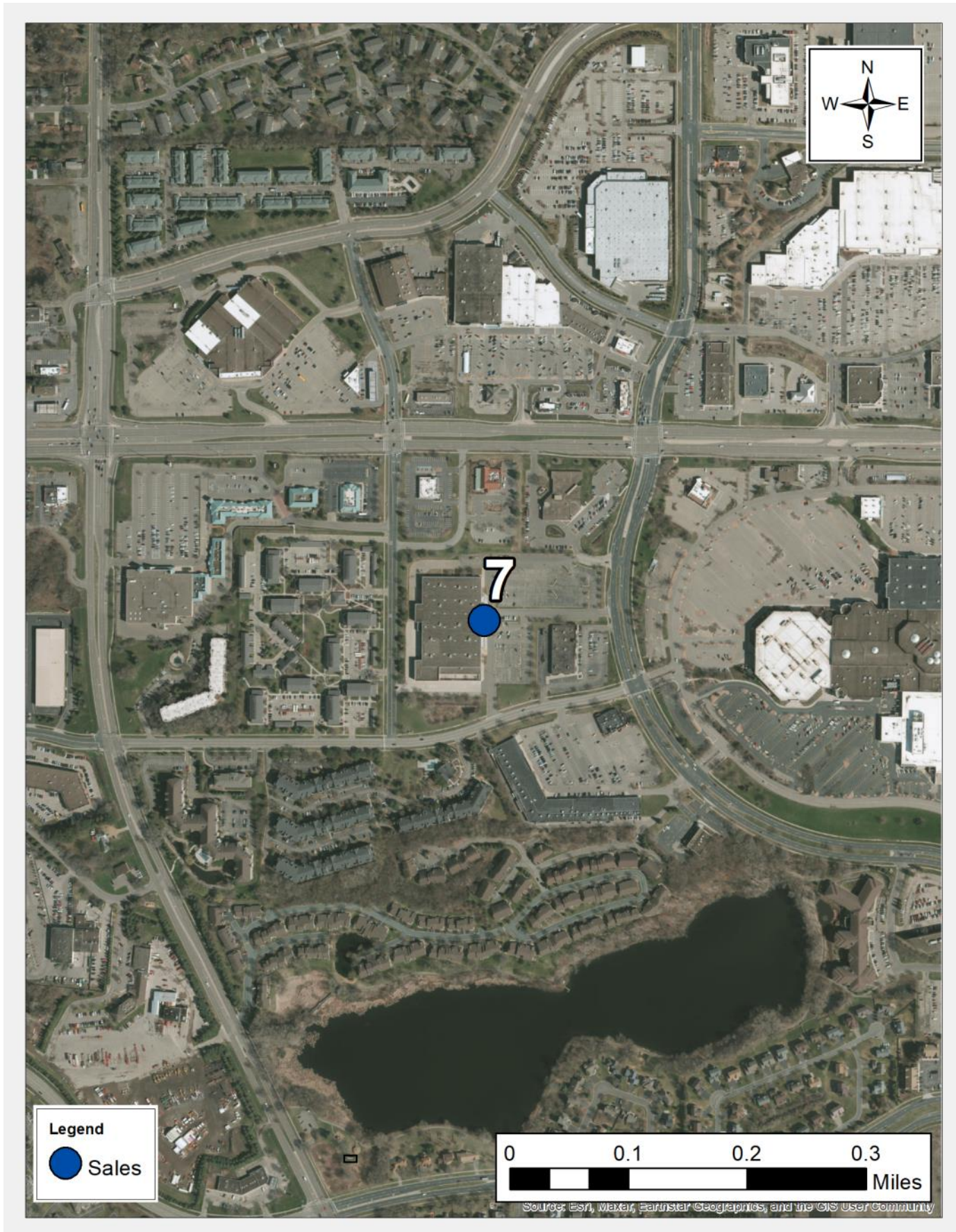


TRADE AREA	Miles: 3	# of HH: 27,646	Median HH Income: 75,906	MPI: ±120	SPI: ±120
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Openly marketed sale of a former K-Mart. Seller completely renovated the property for the tenant at a cost of about \$3,000,000 (\$25.07/SF). Seller reports that both the buyer had used this sale for 1031 tax exchange purposes but this had no bearing on the final agreed upon price. New lease with a contract rent of \$850,000 or \$7.10/SF. Owner is responsible for roof and structural which the seller estimated at \$10,740 which results in an NOI of \$839,260. Initial lease is for 10 years at \$850,000. Three 5 year options each come with a \$30,000 rent increase at the start of the option. No private deed restrictions

Three mile trade area has above average spending and market indices and is pulling consumers from surrounding areas. Property is located next to the Burnsville Mall. Verified with the seller's representative Ms. Valerie Mueller. Additional details obtained from county records and the offering memorandum.

Sales Comparison Approach



Sales Comparison Approach

COMPARABLE 8

Former Best Buy



Sale Price:	\$2,600,000	
Sale Date:	May, 2015	
\$/SF of GBA:	\$49.13	
Address	City	
5925 Earle Brown	Brooklyn	
Dr	Center	
Parcel Number	GBA (SF)	
02-118-21-12-0007	52,920	
Property Type	Year Built	
Single-User Retail	1971	
NRA (SF)	% of GBA	# of Units
		1
Land (SF)	Acres	L/B Ratio
234,187	5.38	4.4
Traffic Exposure	2,500	Cars per day
Parking Index	6.6	Spaces per 1,000 SF of GBA
NOI (If Leased)	OAR	Vacancy
		100%
Buyer: RTY, LLC		
Seller: TRW LP		
Doc#: eCRV 1414793		
Deed: Warranty		
Financing: Cash		

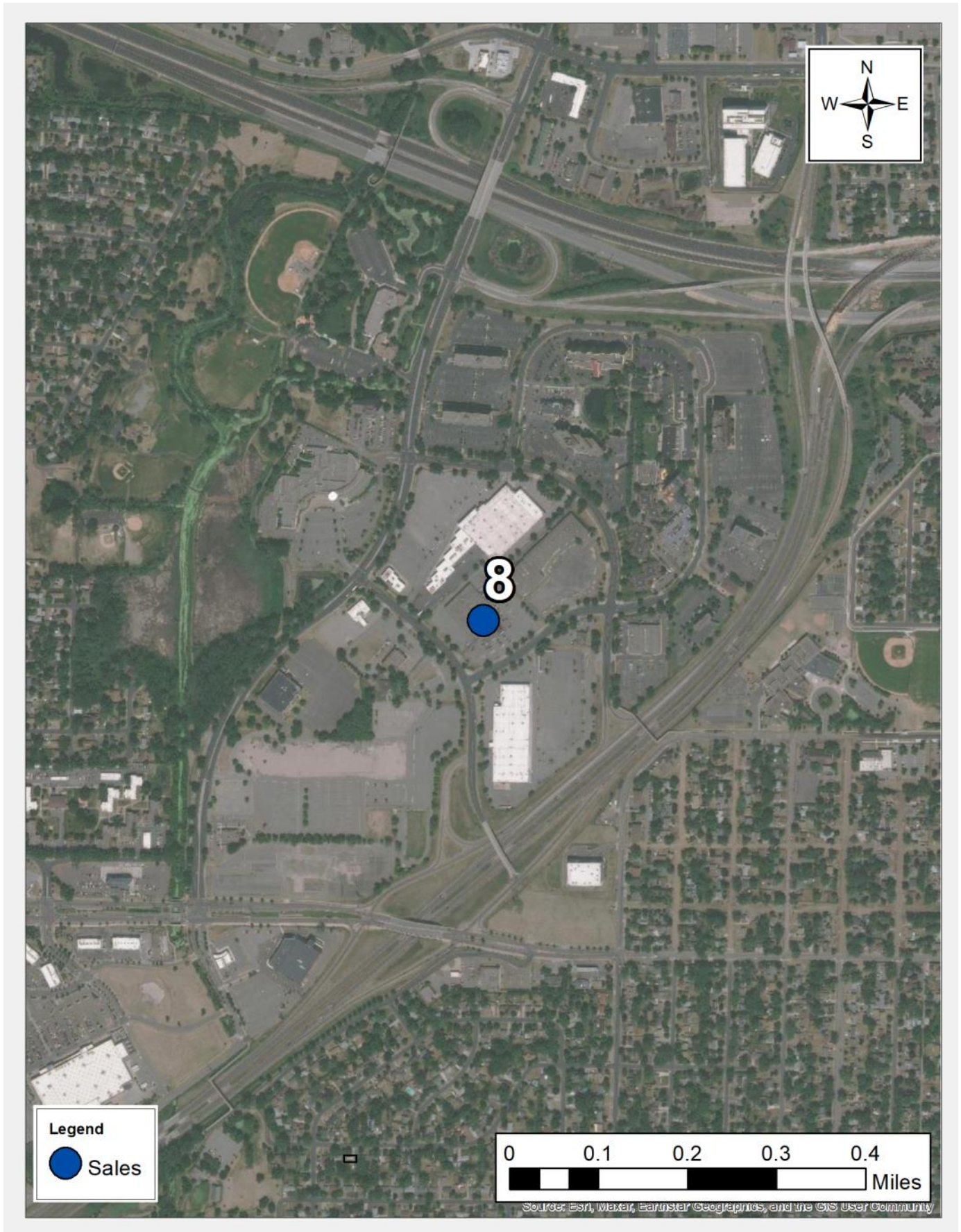


TRADE AREA	Miles: 3	# of HH: 43,767	Median HH Income: \$52,422	MPI: ±95	SPI: ±85
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Openly marketed, arms-length sale of a former Best Buy. Purchased to be owner occupied Restaurant Depot, a wholesale food retailer. Property was on the market for 3 to 4 months. Buyer reported this to be a good arms-length sale with no major repairs needed other than typical re-branding. No private deeded restrictions in place.

The 3 mile trade area has below average spending and market potential indices and is losing consumers to surrounding retail areas suggesting the location to be less desirable. Verified with the buyer's representative Mr. Stanley Flachen. Additional details from county records.

Sales Comparison Approach



Sales Comparison Approach

COMPARABLE 9

Former Lowes



Sale Price:	\$5,000,000	
Sale Date:	October, 2013	
\$/SF of GBA:	\$39.67	
Address	City	
2324 3rd Ave	Cambridge	
Parcel Number	GBA (SF)	
15-285-0040 & 50	126,052	
Property Type	Year Built	
Single-User Retail	2009	
NRA (SF)	% of GBA	# of Units
		1
Land (SF)	Acres	L/B Ratio
534,045	12.26	4.2
Traffic Exposure	11,200	Cars per day
Parking Index	3.3	Spaces per 1,000 SF of GBA
NOI (If Leased)	OAR	Vacancy
		100%
Buyer: CFF LLC		
Seller: LSA LP		
Doc#: eCRV 1168306		
Deed: Limited Warranty		
Financing: Cash		



TRADE AREA	Miles: 3	# of HH: 3,902	Median HH Income: \$55,071	MPI: ±95	SPI: ±95
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Openly marketed, arms-length, cash sale of a former Lowe's to Fleet Farm. Lowe's closed the location after being open only one year due to poor sales. Fleet Farm purchased the lot and improvement (shown in blue above) with the contingency that the two additional parcels (outlined in green) be obtained, though purchased separately. The city sold the ±5 acre north parcel to Lowe's for \$2.70/SF. The buyer purchased the ±5 acre southern lot from Opus for \$6.89/SF and subsequently built a gas/C-store and three stall car wash for \$900,000. Fleet Farm spent ±\$2.5 million re-branding and expanding the building. The property had a private deed restriction prohibiting Menard's or Home Depot from purchasing the site for a period of three years. Menard's is already located in the trade area and Home Depot has a location in Forest Lake.

The 3 mile trade area has average spending and market potential indices and is pulling consumers to the area. However, the area has a very low density of population making it less desirable to areas closer in to the Twin Cities.

Sales Comparison Approach



Sales Comparison Approach

COMPARABLE 10

Former Lowes



Sale Price:	\$3,600,000	
Sale Date:	October, 2013	
\$/SF of GBA:	\$26.19	
Address	City	
13800 Rogers Dr	Rogers	
Parcel Number	GBA (SF)	
1412023130012	137,450	
Property Type	Year Built	
Single-User Retail	2006	
NRA (SF)	% of GBA	# of Units
		1
Land (SF)	Acres	L/B Ratio
571,551	13.12	4.2
Traffic Exposure	6,800	Cars per day
Parking Index	3.6	Spaces per 1,000 SF of GBA
NOI (If Leased)	OAR	Vacancy
		100%
Buyer: RTVC, LLC		
Seller: LCO LP		
Doc#: eCRV 937215		
Deed: Limited Warranty		
Financing: Cash		

TRADE AREA Miles: **3** # of HH: **5,265** Median HH Income: **\$104,106** MPI: **±120** SPI: **±150**

Openly marketed, arms-length sale of a former Lowe's. The parcel was encumbered with private deed restrictions which prohibited a wide variety of potential users that may compete with Lowe's, as well as other uses including grocery, auto sales, manufacturing, and warehousing for a period of seven years after the date of closing. The buyer reported they were the only party to make an offer and that they were aware of other interested parties that would have been interested were it not for the deed restrictions. The buyer will re-brand the store for use as an owner-occupied HOM Furniture store and will redevelop the front loading area into an additional retail unit to be used as a Dock 86. GBA does not include the garden center which is an additional 31,400 SF.

The trade area has above average spending and market indices and is pulling consumers into the area from surrounding locations. However, the population density is relatively low compared to other areas closer in to the urban centers of the Twin Cities. Verified with Mr. Wayne Johanson, the buyer.

Sales Comparison Approach

